

O-250-07

TRADE MARKS ACT 1994

**IN THE MATTER OF AN INTERLOCUTORY HEARING HELD
IN RELATION TO No. 2395325 IN THE NAME OF ROBERTO
GIORDAN AND AN APPLICATION FOR A DECLARATION
OF INVALIDITY No 82591 BY VIRGIN ENTERPRISES LIMITED**

TRADE MARKS ACT 1994

In the matter of an Interlocutory Hearing in relation to a request by Virgin Enterprises Limited for an extension of time request within which to file evidence in support of the application for Invalidation (No 82591) in relation to No 2395325 VIRGIN SMILE in the ownership of Roberto Giordan

Background

1. Trade Mark number 2395325 was applied for on 25 May 2005 and proceeded to registration on 9 December 2005. The trade mark is VIRGIN SMILE and it stands in the name of Roberto Giordan for goods in Class 10: Massage apparatus, vibrators, dental apparatus and instruments; and in Class 21 for: Electric and non-electric toothbrushes.
2. On 14 August 2006, Grant Spencer Caisley & Porteous LLP (hereafter GSCP), on behalf of Virgin Enterprises Limited, applied for a declaration of invalidity against the registration. The statement of case accompanying the application set out the grounds of the action as being that the trade mark registration was contrary to the provisions of Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act. There then followed a brief exchange of correspondence between GSCP and the Trade Marks Registry which I do not need to summarise. The Registry served a copy of the Form TM26(I) on the registered proprietor on 5 October 2006. The accompanying letter informed the parties that a period of six weeks, expiring on 16 November 2006, was allowed for the registered proprietor to file a Form TM8, notice of defence and counter statement, if it wished to continue with the registration.
3. On 14 November 2006 a Form TM33, appointment of change of agent or contact address, was submitted informing the Registry of the appointment of Hargreaves Elsworth (hereafter HE) as the registered proprietor's representative.
4. HE filed a Form TM8 notice of defence and counter statement on 16 November 2006 and the proceedings were joined.
5. On 30 November 2006 the Registry served a copy of the notice of defence and counter statement on the applicant. In accordance with Rule 33(A)(1)(a) of the Trade Marks Rules 2000 (as amended), the applicant was informed that a period of six weeks, expiring on 11 January 2007, was allowed for the filing of evidence in support of the application.
6. On 11 January 2007, GSCP requested an extension of time of two months giving reasons for the request as :
 - ‘ The applicant has prepared a Witness Statement of more than twenty five pages summarising the use which has been made of the VIRGIN mark in relation to a

wide range of different goods and services since 1970. The Witness Statement includes sales figures for the brand as a whole worldwide. We have not yet managed to isolate the figures relevant to the United Kingdom in particular. We have also obtained global advertising expenditure but have not yet isolated advertising expenditure for the United Kingdom.

We have compiled evidence concerning the range of products on which the mark has been used, public recognition of the VIRGIN brand, details of the number of visitors to the VIRGIN website in the United Kingdom, information concerning use by licensees and affiliated companies, details of a survey conducted in 2002 showing public recognition of the brand and numerous exhibits showing use and information about use. Although a great deal of information has been collected, taking account of the Christmas period, the short six week period set for evidence has been insufficient to complete the compilation of evidence and a further two month period is requested.'

7. In an official letter dated 16 January 2007, the Registry issued a Preliminary View indicating that the extension of time was granted until 11 March 2007 subject to any objections from HE. No request for a hearing was received and the Preliminary View was maintained.

8. On 12 March 2007, GSCP requested a further extension of time of one month giving their reasons as:

'The Applicant request a further month to complete its submission of evidence in relation to the subject invalidity application. The Applicant encloses an unsigned version of a Witness Statement of Mark James which it has prepared in support of its invalidity application. The Applicant has also managed to prepare many of the 53 exhibits to the attached document but there are some missing items which we are still seeking to compile and a little more time is required to conclude these exhibits.'

9. The Registry's Preliminary View, in a letter dated 16 March 2007, was to grant the extension of time until 11 April 2007 subject to any objections from HE. Once again, no hearing was requested and the Preliminary View was maintained.

10. On 11 April 2007, GSCP requested another extension of time of one month giving their reasons as:

'We have received all of the exhibits to the draft evidence but the last exhibits were only received on 5 April 2007 and we have been unable to complete the photocopying of the voluminous material in view of the Easter break. We therefore request a further one month period merely to conclude photocopying of the exhibits, execution of the Witness Statement and copying of evidence sets for the registered proprietor.'

11. The Registry's Preliminary View, of 20 April 2007, was to grant this further extension, until 11 May 2007. After this was communicated to the parties, HE raised objections giving their reasons as:

‘Given either the applicant’s own photocopying facilities or alternatively commercial photocopying services which are widely available we do not feel that the reasons given by the agents for the applicant are compelling reasons for a further extension to be granted. It is reasonable to expect that the remaining photocopying could have been completed after the Easter break on Tuesday 10 April and delivered to the Registry to meet the due date.

Three months of additional time has already been granted to assist the applicant in compiling this evidence and we do not see why any further extension should be granted.’

12. The Registry informed the parties, on 30 April 2007, that the Preliminary View given on 20 April 2007, to grant the extension of time request, was maintained.

13. In a letter dated 2 May 2007, HE reiterated their opposition to the Registry’s Preliminary View. The letter contained submissions which were in part repeated in the skeleton argument provided by HE prior to the interlocutory hearing. Whilst I do not intend to reproduce the totality of HE’s submissions, the letter requested the Registry to set out why the reasons given for each extension of time request were deemed by the Registry to be compelling reasons. Reference was also made to the Trade Marks Registry Work Manual and Tribunal Practice Notice 1/2000. In the event that the Registry was not minded to overturn its Preliminary View, HE requested an interlocutory hearing to be appointed.

14. The hearing took place before me on 28 June 2007. At the hearing, Ms Claire Hutchinson, via the video link, represented the applicant for invalidation, and Mr Elsworth, via the telephone, represented the registered proprietor.

The Hearing and Skeleton Arguments

15. Both parties filed skeleton arguments prior to the hearing and the main points arising from the parties submissions were as follows:

The Applicant (GSCP)

- extensions of time are governed by Rule 68 of the Trade Mark Rules 2000 (as amended) and the Registrar has the discretion to grant further time for filing evidence and is required to take account of the decisions of the Appointed Persons in Siddiqui’s Application BL O-481-00 and LIQUID FORCE (1999) RPC 429;
- whilst the evidential burden in invalidation proceedings is the same as in opposition proceedings, the time periods are shorter and the applicant is in an exceptional position due to the wide ranging number of rights it holds;
- the proceedings have not dragged on and the applicant has acted diligently in preparing the evidence and has provided detailed information to support every request for an extension of time;
- draft evidence has been filed showing the amount of work already undertaken;

- the applicant considered that additional and more recent exhibits were required to enhance the already collated older exhibits and that the Easter holidays had hindered the completion of the collation and photocopying of the outstanding material;
- the applicant had completed all the work required and had filed the evidence within the one month period requested;
- in exercising its discretion the Registrar should consider the overriding objective to ensure fairness to both parties;
- a failure to grant the extension of time would result in the applicant's evidence not being admitted into the proceedings which would prejudice the outcome of the application and would be contrary to the public interest as the Hearing Officer would not have all the relevant information available when making his decision;
- the applicant would have no alternative but to withdraw the application for invalidity and re-file a new application;
- the applicant asks to receive its costs if the extension of time request is granted as the registered proprietor has behaved unreasonably in maintaining their objection.

The Registered Proprietor (HE)

- extensions of time are governed by Rule 68 of the Trade Marks Rules 2000 (as amended) . The applicant has requested a total of three separate extensions of time and that the reasons provided for the request of 11 April 2007 were not strong and compelling;
- the applicant's extension request dated 11 April 2007 states that all the exhibits have been compiled and that the additional period of time is required by the applicant to complete the photocopying of the exhibits and execution of the Witness Statement. However, the evidence shows that a number of the exhibits had been prepared after the date that the extension of time had been requested;
- the applicant is clearly of the opinion that extensions of time will be granted as a right and that the applicant having instigated these proceedings should have been prepared to prosecute them in the manner required by the Rules.

The Decision at the Hearing

16. At the conclusion of the hearing I informed the parties of my decision which I confirmed in writing. The relevant part of my letter of 28 June 2007 reads:

‘At the conclusion of the hearing I said that having considered the skeleton

arguments filed, the submissions made on behalf of both parties and all the circumstances surrounding the case, I was satisfied that the Registry's Preliminary View to allow the applicant's request for an extension of time within which to file their evidence into the proceedings should be upheld.

I acknowledge the fact that the applicant has had the benefit of three extensions of time, being an additional period of four months, within which to prepare and submit their evidence. I also acknowledge the registered proprietor's comments about being disadvantaged by the delay in the proceedings and how the continued uncertainty has caused commercial difficulties as he has been prevented from being able to market his products.

In reaching my decision, I have taken into account the need to ensure that the proceeding are dealt with expeditiously and fairly to all the parties. At the Hearing I said that I had also taken into account the consequences for the parties in deciding whether to allow the extension of time, or whether to refuse it. The evidence is now available and can be admitted into the proceedings which will allow the Registry to set a date by which the registered proprietor can file his evidence. The fact that the evidence is available is not determinative, but it is a very important factor which I have taken into account.

I have also given careful consideration as to what the likely outcome would be if I refused the extension of time request and the applicant was not allowed to file the evidence. One of the consequences could be that the application could be withdrawn and that fresh proceedings could ensue. This would clearly be detrimental to both parties and would only prolong the proceedings and the uncertainty as to the outcome of the action. It must clearly be in the public interest and to the benefit of all the parties that all the evidence that is available should be admitted into the proceedings to assist the Hearing Officer when undertaking the final determination.

The consequence of my decision is that, subject to any appeal, the evidence will be admitted and processed by the Registry and then formally served on the registered proprietor, with a period set for the filing of any evidence that the registered proprietor may wish to file.

Although Ms Hutchinson requested an award of costs in favour of the applicant, I said that having taken into account all the circumstances of the case, I declined to make an award.'

17. On 26 July 2007 HE filed a Form TM5 requesting a statement of reasons for my decision. This I now give.

Decision

18. Both parties referred me to various authorities relevant to the consideration of requests for extensions of time. I was informed that the Registrar has the discretion to grant or refuse requests for additional time and that in exercising that discretion I had to consider the overriding objective to ensure fairness to the parties. I was also required to ensure that I was satisfied that the reasons given for the extension of time

were both strong and compelling. I was asked, by HE, to take into account the length of time that the applicant had taken in preparing their evidence and the commercial difficulties that the registered proprietor was suffering as a result of the delay in resolving the proceedings. GSCP referred me to the volume of evidence that had been compiled and the challenges that they had had to overcome in collating and photocopying so much material. I was also asked to consider the public interest aspect of the proceedings and the potential for a multiplicity of proceedings with the inevitable consequence in respect of increased costs for all parties if fresh proceedings were to be commenced.

The Law

Rule 68 states:

Alteration of time limits (Form TM9)

68. – (1) The time or periods –

- (a) prescribed by these Rules, other than the times or periods prescribed by the rules mentioned in paragraph (3) below, or
- (b) specified by the registrar for doing any act or taking any proceedings,

subject to paragraph (2) below, may, at the written request of the person or party concerned, or on the initiative of the registrar, be extended by the registrar as she thinks fit and upon such terms as she may direct.

(2) Where a request for the extension of a time or periods prescribed by the Rules –

- (a) is sought in respect of a time or periods prescribed by rules 13 to 13C, 18, 23, 25, 31, 31A, 32, 32A, 33, 33A or 34, the party seeking the extension shall send a copy of the request to each person party to the proceedings;
- (b) is filed after the application has been published under rule 12 above the request shall be on Form TM9 and shall in any other case be on that form if the registrar so directs.

(3) The rules excepted from paragraph (1) above are rule 10A(2) (failure to file address for service), rule 11 (deficiencies in application), rule 13(1) (time for filing opposition), rule 13A(1) (time for filing counter-statement), rule 23(4) (time for filing opposition), rule 25(3) (time for filing opposition), rule 29 (delayed renewal), rule 30 (restoration of registration), rule 31(3) (time for filing counter-statement and evidence of use or reasons for non-use), rule 32(3) (time for filing counter-statement), rule 33(6) (time for filing counter-statement), and rule 47 (time for filing opposition).

(4) Subject to paragraph (5) below, a request for extension under paragraph (1) above shall be made before the time or period in question has expired.

(5) Where the request for extension is made after the time or period has expired, the registrar may, at her discretion, extend the period or time if she is satisfied with the explanation for the delay in requesting the extension and it appears to her be just and equitable to do so.

(6) Where the period within which any party to any proceedings before the registrar may file evidence under these Rules is to begin upon the expiry of any period in which any other party may file evidence and that other party notifies the registrar that he does not wish to file any, or any further, evidence the registrar may direct that the period within which the first mentioned party may file evidence shall begin on such date as may be specified in the direction and shall notify all parties to the dispute of that date.

(7) Without prejudice to the above, in cases of any irregularity or prospective irregularity in or before the Office or the registrar which –

(a) consists of a failure to comply with any limitation as to times or periods specified in the Act or these Rules or the old law as that law continues to apply and which has occurred or appears to the registrar as likely to occur in the absence of a direction under this rule, and

(b) is attributable wholly or in part to an error, default or omission on the part of the Office or the registrar and which it appears to her should be rectified,

she may direct that the time or period in question shall be altered in such manner as she may specify upon such terms as she may direct.

19. The breadth of the discretion afforded to the Registrar was dealt with by the Appointed Person in LIQUID FORCE (1999) RPC 429. The Appointed Person held that the Registrar's discretion was as broad as that of the Court and where relevant circumstances were brought forward, the Registrar could exercise that discretion. The Appointed Person also held that, whilst it was not always determinative if the evidence was available at the time at which the request for an extension of time fell to be decided, it was nevertheless an important factor to be taken into consideration.

20. In Siddiqui's Application (BL O-481 -00) the Appointed Person said:

' In a normal case this will require the applicant to show clearly what he has done, what he wants to do and why it is that he has not been able to do it. This does not mean that in an appropriate case where he fails to show that he has acted diligently but that special circumstances exist an extension cannot be granted. However, in the normal case it is by showing what he has done and what he wants to do and why he has not done it that the Registrar can be satisfied that granting an indulgence is in accordance with the overriding objective and that the delay is not being used so as to allow the system to be abused.'

21. In reaching my decision to confirm the Registry's Preliminary View to allow the extension of time request, I took account the guidance provided by the Appointed Persons. I was satisfied that GSCP had provided strong and compelling reasons to support their request for more time to be allowed. GSCP had shown what had been

done, what needed to be done and why it had not been done. I was prepared to accept that GSCP had, once the registered proprietor had filed his notice of defence and counter statement and had decided to join the proceedings, acted diligently in identifying, obtaining, collating and photocopying their evidence. This involved identifying, from a very large number of their client's earlier rights in a wide and diverse range of goods and services, those earlier rights and their supporting exhibits which would best provide support to their application. The work of compiling all these documents and exhibits into a number of complete sets for admittance into the proceedings was, in part, delayed by the Easter holidays. In view of these circumstances the request for an additional period of one month within which to complete the photocopying and submit the evidence was, in my judgement, neither excessive nor unreasonable.

22. My decision at the hearing was also influenced to some extent by the fact that the work of compiling all the evidence had been completed and that the evidence had, by the time of the hearing, already been filed at the Registry. In this type of situation, it is the Registrar's view that, in proceedings, where there is an issue to be resolved and the parties are intent on defending their position, that it is always preferable to allow the proceedings to continue to a main hearing where the Hearing Officer can then decide the case with the benefit of all the evidence and arguments before him. This must be preferable to the possible alternative of the proceedings being terminated and then having another set of proceedings started between the same parties, covering the same issues and with the same evidence being filed into the new proceedings.

23. However, this is not to be taken as meaning that the Registrar will always, when the evidence has been filed, favour the party seeking the indulgence. Nevertheless, it must surely be in the interest of all the parties to the proceedings that the dispute is resolved expeditiously, fairly and by saving expense wherever and whenever possible. This, in general terms, accords with the observations of Laddie J. in the appeal case *Hunt-Wesson Inc's Trade Mark Application (1996) RPC 233 at 241*:

‘ An opposition may determine whether or not a new statutory monopoly, affecting all traders in the country, is to be created. Refusing permission to an opponent who files evidence late affects not only him but also may penalise the rest of the trade....although the matter is not clear, it is probable that if the evidence is excluded and the opponent, as a result, loses then he will be able to return again in separate proceedings to seek rectification of the register. An advantage of allowing in the evidence....is that it may well avoid a multiplicity of proceedings.’

24. At the Hearing and in the submissions made, both parties expressed the wish to have these proceedings dealt with as quickly and as fairly as possible. HE, on behalf of the registered proprietor, informed me that his client, who was present at the Hearing, was being caused severe commercial difficulties due to the length of time being taken to resolve these proceedings. In light of this, taking into account all the circumstances of the case including the fact that the evidence was now available and ready to be admitted into the proceedings and also, GSCP's comments in respect of the very real likelihood of fresh proceedings resulting as a consequence of a decision to overturn the Preliminary View, I decided to exercise the Registrar's discretion and allow the applicant's request for an extension of time within which to file their

evidence. This would enable the proceedings to move forward and allow the registered proprietor the opportunity to submit his evidence to oppose the application for invalidation.

Costs

25. GSCP submitted that HE had behaved unreasonably in maintaining their opposition to the extension of time request and that they should be penalised in costs. Having considered all of the facts of the case, I declined to make such an award.

Dated this 29th day of August 2007

Raoul Colombo
For the Registrar,
The Comptroller General